



No. 00-1

# GAO Technical Bulletin

Arizona Department of Administration ♦ General Accounting Office

Subject: ***Guidelines for Establishing and Accounting  
for Employee Recognition Programs Funded  
by Donations or Fund Raising Activities*** Issued: 1/11/00

Manual Section: N/A Effective: 8/6/99

Supersedes: N/A Page: 1 of 7

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TO: All Agency Technical Bulletin Administrators FROM: Robert Rocha  
All Agency Employee Recognition Program Coordinators State Comptroller

## **AUTHORITY**

A.R.S. 35-149	Disposition of private funds; contributions and suspense funds; exception
A.R.S. 35-301	Duties and liabilities of custodian of public monies; violations; classification
A.R.S. 35-302	Public money defined
A.R.S. 41-776	Gifts and donations for employee recognition
A.A.C. R2-5-410	Bereavement Leave
A.A.C. R2-5-501 (C)(4)	Standards of Conduct
IRC Sec. 74	Federal income tax withholding
IRS Reg. 1.132-6	Fringe benefits exempt from withholding

## **DEFINITIONS**

**AFIS**: The Arizona Financial Information System, an automated accounting system.

**Award**: The distribution of some item to an employee under the terms and conditions of an Employee Recognition Program.

**Director**: The Director of the Arizona Department of Administration.

**Donation**: Money or property, the control or title to which is transferred to the State, to be used to fund an agency's Employee Recognition Program.

**Employee Recognition Activity**: Any activity entered into to accomplish the ends of an Employee Recognition Program.

**Employee Recognition Program**: A set of procedures adopted by a State agency to recognize and award the performance, achievement and/or longevity of and/or to commemorate notable life events affecting certain employees.

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**Fund Raising:** Any activity conducted for the purpose of earning money. For purposes of this bulletin, fund raising activities are those activities, approved by State agency management, the objective of which is to earn money as one source of funding an agency's Employee Recognition Program.

**GAO:** The General Accounting Office, a section within the Financial Services Division of the Arizona Department of Administration.

**Life Event:** An occurrence that significantly affects an employee's state of mind, life style, morale and/or performance. Life events might include, but not necessarily be limited to, marriage, the birth of a child and the death of a spouse.

## **INTRODUCTION**

In part, Laws 1999, Chapter 300 (HB 2353) gives all State agencies the authority to accept gifts and donations for Employee Recognition Programs. This legislation is effective August 6, 1999. This Technical Bulletin was written specifically to address procedural changes related to this newly granted authority, particularly as they affect accounting operations. Much of what is contained in this Technical Bulletin and its attachments has broader application to Employee Recognition Programs considered as a whole, regardless of funding source.

## **POLICY**

The following conditions govern all donations, contributions, fund-raising proceeds and other such receipts designated to fund any State agency's Employee Recognition program and to those programs and activities established or undertaken to solicit, generate, administer or distribute such funds:

1. All such activities and policies must be in compliance with the provisions of A.R.S. 35-149;
2. No solicitation of funds or related activity shall violate the Standard of Conduct imposed by A. A. C. R2-5-501 (C)(4);
3. No such activities and policies can be in contravention of any other State or federal statutes, as they may apply;
4. The donor and the agency agree that the funds will be used exclusively for Employee Recognition Activities;
5. The funds are, in fact, used exclusively for Employee Recognition Activities;

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6. Taking into account all administrative and collateral costs, the value received by the public is significantly greater than the cost to the public; and,
7. No such activity or policy shall be inconsistent with the Procedures outlined by this Technical Bulletin.
8. The Legislature has granted all agencies specific authority to raise funds and collect donations to finance State employee recognition programs. Unless they have been granted the specific authority to do so (such as exists with respect to the State Employees Charitable Contributions Committee), agencies are prohibited from engaging in such activities for purposes other than employee recognition.

**PROCEDURE**

1. In accordance with A.R.S. 35-149, every State agency must document the following information pertaining to any private funds or contributions received:
  - a. the source of the funds;
  - b. the terms and conditions under which and the purpose for which the funds were received;
  - c. the names of the trustees or administrators of the funds or contributions; and
  - d. the name of the person authorized to approve expenditures from each fund.

The statute does not expressly state the form such documentation must take. Information satisfying the statutory requirements can, however, be readily collected and maintained using a combination of a comprehensive, written Employee Recognition Program and appropriate forms registering the receipt of contributions.

In addition to compliance with the requirements of A.R.S. 35-149, a written Employee Recognition Program provides guidance to agency employees and information to contributors or potential contributors. For your reference or for use as a model, a copy of the program adopted by the Department of Health Services has been posted to the GAO Website.

As a convenience, you will also find attached a specimen Donation Acknowledgment and Receipt form that satisfies, in part, the requirements of the statute and furnishes donors a receipt they can use in the preparation of their tax returns.

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2. A fund must be established with the GAO. Complete a GAO form PM-D23 for each fund to be established and transmit it to your GAO liaison. The GAO cannot establish a fund for your agency until it has received this form, appropriately completed.

This fund rolls up to the previously established appropriated fund. A diagram of the account hierarchy has been attached for your reference. Using the same form, but with different titles and fund numbers, you can establish divisional, departmental or special purpose funds. An imprest revolving fund may be opened to account for cash used to make change or cash purchases for certain fund raising activities. (You are referred to the Arizona Accounting Manual, Section II-C-2 for more information about maintaining imprest revolving funds.) Given the appropriate level of fund breakdown, AFIS reports and queries can be useful tools in managing your Employee Recognition Program.

As a reference, a sample of a completed GAO form PM-D23, reflecting the creation of an agency level fund, has been attached.

3. Cash or cash equivalencies received as donations or representing the proceeds of fund raising activities should be handled in the manner prescribed by Section II-C of the Arizona Accounting Manual.
4. In order to effect proper record keeping, both the gross receipts and the cash outlays involved in any fund raising activity--not just the net proceeds from such an activity--should be recorded.
5. In the event of receiving goods or merchandise rather than cash, internal controls and proper record keeping are still required. An Employee Recognition Program Donated Materials Inventory Log, suitable for such record keeping, has been attached; it can readily be adapted for use by your agency.

Suitable arrangements need be made for the storage and safeguarding of goods or merchandise that have been contributed for the benefit of an Employee Recognition Program.

6. In order that awards distributed in connection with an Employee Recognition Program not be deemed additional compensation subject to withholding and employment taxes, awards of cash, cash equivalents or articles readily convertible to cash are not considered appropriate.
7. In accepting donations from any source, particular care must be taken in these circumstances to avoid conflicts of interest or even the appearance of conflicts of interest. It would be unwise to accept a contribution from any individual or entity that has business pending with the State.

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**COMMENTS**

1. The importance of a written, comprehensive agency-specific program cannot be overstated. Such a document provides the guidance necessary for State officers and employees to successfully implement and maintain Employee Recognition Programs. It is the preferred vehicle for dispelling internal misunderstandings and a clear and unambiguous way of disclosing program specifics to donors and potential donors.
2. While the source of these assets is private, they become public assets once accepted. As such, we have an obligation to maintain the same, rigorous internal controls we apply in the safeguarding of all public assets.
3. When considering the costs to the public of any activity, we need to bear in mind that such costs include **the compensated time of State employees** and the use of any State supplies, equipment or services.

When accepting donations, we need to consider the costs of any special restrictions. For example, were someone to offer your agency a gift of \$1000 under the condition that the principal be held in trust and only the interest be available for distribution under your Employee Recognition Plan, it would be prudent to refuse the gift. The \$40 to \$70 interest that the gift might earn each year would be considerably less than the costs to establish and administer the trust.

4. While there may, upon initial consideration, seem to be few restrictions to the ways in which such funds may be used, the Legislature's intent was that they be spent for "employee recognition."

There is little doubt that such recognition includes acknowledgment of an employee's accomplishments, such as noteworthy performance or length of service. It is unclear whether life events were contemplated by the Legislature when it granted this new authority.

If your agency is considering the incorporation of life event commemorations as part of its Employee Recognition Program, consider limiting them to occurrences affecting family members who fulfill the proximity of relationship tests outlined in the State's rules governing bereavement leave.

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5. The economic reasonability of any award made to an employee under an Employee Recognition Program needs to be considered. The Director's Guidelines for Employee Recognition Programs (an attachment to his memorandum of June 4, 1999, distributed to all agencies, boards and commissions) recommends that the value of awards recognizing 35 years of service not exceed \$100, while the value of performance and on-the-spot awards should be capped at \$75 and \$25, respectively. We refer all those involved in establishing or administering agency Employee Recognition Programs to this document (a copy of which has been posted to the GAO Website) for additional information.

Although gifts to employees are generally considered bonuses subject to withholding and payroll taxes, gifts of nominal value are treated as de minimis fringe benefits which are excludable from an employee's taxable income. While no dollar threshold for nominal value has been set, it is held to be a value so small as to make accounting for it unreasonable or administratively impracticable.

6. Those charged with determining the value and timing of awards should consider the ephemeral nature of contributions. Let's assume that as the result of a particularly generous contribution there is a substantial amount of money in an Employee Recognition Program. It is decided, based upon the availability of cash, that a large number of employees celebrating their tenth anniversary of service this month should all receive awards valued at \$20. The purchase of these awards virtually depletes the fund. A few months later, several employees celebrating their twentieth anniversary can each receive awards with a value of only \$10 because the then-current fund balance is insufficient to support more. Such circumstances would serve to demoralize the second group of employees.
7. Any award that is readily convertible to cash should be avoided. This restriction applies to: cash; cash equivalents (such as gift certificates and U. S. Savings Bonds); articles that can easily be pawned (such as jewelry not bearing agency logotypes); and, items that can readily be sold (such as tickets for entertainment or travel). Awards, to the extent possible and to the degree consistent with the nature of the award, should be identified with the logotype of the State agency making the award and be personalized with the name of the employee receiving the award.

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**ON-LINE AVAILABILITY**

Copies of this and other Technical Bulletins, including attachments when feasible and appropriate, are available for viewing and downloading from the Technical Bulletin Page of the General Accounting Office Website located at:

**<http://www.gao.state.az.us/bulletins.html>**

**SUPPLEMENTAL MATERIALS**

The following supplemental materials are distributed as paper attachments (indicated by **P**), electronic documents posted to the GAO Website (**W**) or in both formats (**B**).

1. Employee Recognition Fund Structure diagram. **P**
2. Example of a GAO Form PM-D23 establishing an agency-level Employee Recognition Fund in AFIS. **P**
3. Prototypical Employee Recognition Program Donation Acknowledgment and Receipt. **B**
4. Prototypical Employee Recognition Program Donated Materials Inventory Log. **B**
5. Copy of the Director of Department of Administration's Guidelines for Employee Recognition Programs. **W**
6. Copy of the policies and procedures document for the Management of Employee Recognition Funds drafted by the Arizona Department of Health Services and approved by the Arizona Department of Administration. **W**

If your agency has no access to the Web, please contact your GAO Liaison to be provided paper copies of these Addenda Items.

**AREAS IMPACTED**

All State agencies.

**CONTACTS**

If you have any questions concerning this Technical Bulletin, please contact your GAO Liaison.

# State of Arizona

## [Sponsoring Agency]

### Employee Recognition Program

### Donation Acknowledgment and Receipt

<b>Name of Donor or Donor's Agent:</b> <b>*(Fund Raising Event:)</b>					
<b>Organization Name ,If Applicable:</b> <b>*(Sponsoring State Agency or Unit:)</b>					
<b>Street Address:</b>					
<b>City:</b>		<b>State:</b>		<b>ZIP:</b>	
<b>Phone:</b>	(       )	<b>Fax:</b>	(       )		
<b>Donor's Federal Tax Identification Number:</b>					
<b>*Description of Item(s) Donated:</b>					<b>*(Estimated)Value:</b>
<b>*Total (Estimated) Value:</b>					
<b>Terms and Conditions.</b>  <i>All donations are to be used in manners consistent with the Employee Recognition Program of the [sponsoring agency]. Donor acknowledges that donations of other than cash may be sold for a profit or otherwise disposed of or utilized in a manner consistent with the [sponsoring agency's] Employee Recognition Program. Donations are accepted with the understanding that they are non-refundable, carry no time limit or expiration date, have been freely given, and that their acceptance creates no corresponding obligation on the part of the State of Arizona, its agencies, divisions or departments or agents and employees thereof.</i>					
<b>Signature of Donor or Donor's Agent:</b>					
<b>Title of Donor's Agent, If Applicable:</b>					
<b>*Signature of Receiving Employee:</b>					
<b>*Printed Name of Receiving Employee:</b>					
<b>*Title and Division of Receiving Employee:</b>					
<b>*Date of this Transaction/Event:</b>					
In the event that the source of the donated items or funds is a fund raising event sponsored by State Employees or State Agencies, only those items preceded by an asterisk (*) need be completed.					
<b><i>Thank You for Your Support!</i></b>					



**State of Arizona**  
*[Sponsoring Agency]*  
**Employee Recognition Program**  
**Donated Materials, Inventory Log**

[illegible]



Governor Jane Dee Hull

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# **Guidelines for Arizona State Government Employee Recognition Programs**

**June 4, 1999**

## Guidelines for Employee Recognition Programs

The purpose of employee recognition award programs is to say “thank you”, “well done”, “we value you as an employee”. The purpose differs from the goals and objectives of other aspects of total compensation. Salary is payment for doing the job; benefits are designed to protect the employee’s well being; short and long-term incentives direct and reward the achievement of specific performance goals. For an Employee Recognition Award Program to work, it must be custom-made to fit your organization’s culture.

Recognition that means anything is given with sincerity and thoughtfulness. It must be treated as special, because that’s what it is. If it’s worth doing, it’s worth doing right. Recognizing an employee is not an end in and of itself. It’s a means to an end – helping the employee feel valued and reinforcing desirable behavior.

In any organization, it is important that employees feel that their contributions are both valued and recognized.

Organizations often run several concurrent employee recognition award programs, including:

***Length of service.*** One program may focus attention on tenure with the agency or with State service. This type of program recognizes service with the employer. Often these are in increments, for example, for each five years of accumulated service. The recognition sometimes includes agency-wide recognition in the newsletter, a pin, certificate, or being able to choose a memento from an approved catalog. The value of the award often increases as the employee’s years of service increase.

***On-the-Spot Award.*** Another program is to quickly and frequently recognize those employees who go “above and beyond the call of duty” on a given day, or for exceeding expectations on an activity or project. This program focuses on one time achievement, rather than sustained performance over a period of time. The important thing about on-the-spot awards is that they provide recognition to the employee quickly after the good act occurs (instant recognition). Typically, any employee in the organization can recognize another employee by presenting him/her with a certificate. Often, organizations conduct monthly drawings that provide small mementos to a randomly selected number of on-the-spot recipients.

***Noteworthy performance.*** Another program may focus on identifying a particular type of exemplary or noteworthy performance of an individual or team. Usually the performance to be recognized varies with the needs of the agency. Common categories include Employee of the Quarter, Employee of the Year, Team of the Year, etc. Recipients of these award categories may receive such things as plaques, agency-wide recognition in the newsletter, recognition leave (refer to R2-5-421 for additional information), and reserved parking spaces.

Other types of recognition programs might include:

- Public Service Awards which recognize employees who have demonstrated through volunteerism or other public service activity, a commitment to civic responsibility and a concern for the community.

## Guidelines for Employee Recognition Programs

- Professional Achievement Awards which recognize employees who have demonstrated exceptional levels of performance within their career fields.
- Retirement Awards which recognize state employees for their years of service to the State of Arizona upon retirement.

If you are interested in starting an employee recognition program in your agency or are in the process of revisiting your existing program, the following information provides some guidance:

1. **Determine the recognition program's objectives.** Think through why and how this employee recognition program will benefit your organization. Clearly set forth the types of performance and behaviors you are trying to encourage.
2. **Involve employees.** Get input from the “customers” of this program right up front. Talk with management and employees of all levels in an organization about expectations for the recognition program. Any recognition strategy must be designed and implemented with the notion that the employees are the “customers” of the program. It is these “customers” that must specify the requirements of the program.
3. **Timing.** Determine the timing for the various types of awards. The purpose of the award should drive the timing. To be effective, awards need to be given as soon as possible after the desired behavior or achievement. Attempt to encourage on-the-spot awards frequently. It is important to be prompt in saying thank you.
4. **Awards.** Employee recognition awards can take many forms – thank you notes, pins, plaques, certificates, reserved parking spaces, employee photo in the agency's newsletter – to name just a few. Although the funding source may be different in paying for awards, the considerations in the implementation of employee recognition programs are very similar. Since public funds will be used, please consider the following:
  - a. All statutes, rules or policies governing the expenditure of monies for employee recognition must be followed ( i.e. procurement code, accounting policies, Arizona Revised Statutes and Federal law).
  - b. Awards are typically paid from Other Operating Expenditures (OOE) and should be considered when your agency is budgeting and allocating funds. Refer to Section 5 for additional information.
  - c. For awards not to be considered additional wages to the employee and subject to tax withholding, use the following guidelines:
    - Awards that can be easily converted to cash (pawned), tickets for entertainment, kachina dolls, jewelry (except jewelry bearing agency logo), tickets (e.g. cruise, airline) or any other item which can be turned into cash should not be considered.
    - An award given to an employee for length of service must be given as part of a meaningful presentation, awarded under circumstances that do not indicate that the

## Guidelines for Employee Recognition Programs

payment is disguised compensation, and generally should not exceed \$100. The value of the award often increases as the employee's years of service increase. An award valued at \$100 might be given to an employee reaching a 30 or 35 year milestone. If your agency is contemplating substantially exceeding this recommended level, please consult with the Attorney General's Office. Length of service awards should be given at a minimum in five year intervals (5, 10, 15, 20, etc.).

- Awards for on-the-spot, noteworthy performance and other types of recognition programs (i.e. public service, professional achievement, retirement) should be limited to such items as plaques, certificates, reserved parking spaces, recognition leave, or work-related items (i.e. pens/pencil sets, calculators, portfolios). These awards provide a benefit by encouraging efficiency and building morale. The value of this benefit should not be exceeded by the expenditure of public funds. It is recommended that awards for on-the-spot generally do not exceed \$25 and awards for noteworthy performance and other types of recognition programs generally do not exceed \$75. Again, if your agency is contemplating substantially exceeding this recommended level, please consult with the Attorney General's Office.
- All dollar amounts listed herein should be considered on a calendar year basis.
- All dollar amounts listed herein are specified to ensure that the value of the awards is not disproportionate to the value that the public derives from the Department giving such awards.

5. **Budgeting for recognition.** The types of recognition programs your agency implements and the materials your agency uses to promote and market employee recognition will impact how much money should be budgeted for recognition. Common types of recognition expenses funded from Other Operating Expenditures (OOE) include:

- Awards as previously listed under section 4;
- Printing of nomination forms;
- Printing of brochures, flyers, newsletters and other related marketing and communication materials and;
- Film and film processing.

Monies traditionally have not been explicitly appropriated for recognition programs, therefore, many state agencies, through efficiencies, have been able to afford to reward employees for their outstanding contributions.

6. **Develop a meaningful presentation strategy.** If you are serious about recognizing your employees, do it right. For some awards, such as an on-the-spot award, the certificate may itself be all that is necessary. Other types of employee recognition programs may require an awards presentation by providing recognition at an agency event in front of all employees. Keep in mind that while some employees prefer public recognition, others may prefer unit recognition or even private recognition from their supervisor.

## **Guidelines for Employee Recognition Programs**

If your agency is considering a presentation strategy that involves food and beverage (i.e. employee picnic, luncheon), please consider the following:

- Unless your agency has been given specific authority (legislative, federal, contract, grants), appropriated and non-appropriated funds (excluding monies donated specifically for employee recognition) should not be used to pay for food and beverages.
- You can raise funds from private donors or other state employees for the purpose of employee recognition events, if:
  - a. The funds solicited or accepted by a state employee representing the agency should not be given as a gift, gratuity, favor, entertainment or loan which is, or may appear to be designed to influence the employee's official conduct. (For example, employees working at the Department of Revenue who are responsible for determining the tax liability of restaurants should not solicit or accept gift certificates from any restaurant. Another example, employees working with a construction company to build a prison for the state should not solicit or accept a cash contribution from the contractor.)
  - b. The donor (i.e. local businesses, state employees) and the agency agree that the funds will be used for employee recognition.
    - If a local business contributes a cash contribution, have the donor sign a notice acknowledging their understanding that the donation will be used only for employee recognition purposes.
    - For events where state employees are encouraged to participate, such as bake sales, silent auctions, etc., a notice should be posted that all proceeds will be used for employee recognition purposes. If items for events were purchased by an employee from his/her own pocket and it is necessary to reimburse the employee, a notice should be posted that all profits will be used for employee recognition purposes. For example, if an employee purchases the root beer and ice cream with his/her own money that will in turn be used in a root beer float sale, the employee can be reimbursed for his/her expenses using the money raised from the sale and the remaining profits would be used for future employee recognition purposes.
  - c. The funds are used only for employee recognition.
  - e. The agency establishes an Employee Recognition Fund, in conjunction with the General Accounting Office, where all donated funds will be deposited with the state treasurer; implements policy and procedures; designates a person responsible for administering and approving expenditures from the funds; and separately accounts for and reconciles the financial activities of your employee recognition program.

## Guidelines for Employee Recognition Programs

- All funds raised from private donors or other state employees for the purpose of employee recognition become public funds. A.R.S. §35-302 defines “public monies” as “money belonging to, received or held by state ...officers in their official capacity.” Therefore, any money “received or held” by a state employee in the course of his or her employment must be treated in the same manner as money belonging to the State, whether or not the money actually belongs to the State. Agencies using donated funds for an employee recognition event should ensure that the value received by the public from the employee recognition event are greater than the cost of the event. Perceived value vs. cost is often difficult to prove, therefore, agencies are encouraged to error on the conservative side.
- 7. **Communicating the recognition .** Communicate the intent, purpose and process used for your recognition program, and make the entire process as open and employee-based as possible. Establish written policies and procedures for your recognition program, include such items as program authority; program purpose; types, description, criteria, eligibility, awards, procedures and forms for the recognition categories; and procedures for handling funds. On an on-going basis, it is important to remind your employees of the options available to them to recognize and reward various types of employee achievement. You can do this in a variety of ways, through staff meetings, new employee orientation, newsletters, brochures, etc.
- 8. **Monitor and track the success of your program .** Keep things fresh. Listen to your employees to be ready to suggest alternatives and changes to the programs when they are necessary. Some organizations find it valuable to review all programs periodically. Take time to examine the types of behavior you are rewarding, and how effectively you are using awards to encourage the results you want.

<b>ARIZONA DEPARTMENT OF HEALTH SERVICES</b>	<b>LEVEL</b>	<b>SECTION</b>	<b>NUMBER</b>	<b>DATE</b>
	1	ADM	005	08/19/98
<b>SUBJECT:</b>	EMPLOYEE RECOGNITION PROGRAM			

<b>SUPERSESSION:</b>	NONE
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### **PURPOSE**

The purpose of this policy is to establish the Employee Recognition Programs within ADHS that will celebrate and support employees through recognition in accordance with the guidelines stated herein.

### **POLICY**

Recognizing that each employee is a source of quality and productivity, ADHS will implement Employee Recognition Programs to celebrate the inherent worth of each individual and affirm that ADHS' most important resource is its employees.

### **AUTHORITY**

A.R.S. § 36-104 - Powers and Duties of the Director, Arizona Department of Health Services.

### **APPLICABILITY**

This policy and procedure applies to all employees of ADHS.

### **DEFINITIONS**

Bureau - Sections within a Division led by a Bureau Chief.

Department - The Arizona Department of Health Services.

Division - Sections within the Department lead by an Assistant Director.

Employee Recognition Committee - The group of employees at the Division/Bureau/Office level formed to provide employee recognition within its respective Division/Bureau/Office .

Employee Recognition Council (ERC) - The Chairpersons of Employee Recognition Committees formed to provide Department-wide employee recognition at the Department level and to provide guidelines to the Employee Recognition Committees.

Employee Recognition Coordinator - Responsible for Agency-wide employee recognition programs and activities.

HEART - "Health Employees Award for Recognition and Thanks"- A program within the scope of employee recognition for employees to recognize employees.

HEARTBEAT - An immediate certificate of recognition from employee-to-employee.

Leader - Any employee at any level who demonstrates leadership qualities.

Office - Sections within a Division led by an Office Chief.

Team - Group of employees who work together in a formal relationship (organizational structure, task team, quality improvement team, committee, etc.) on a defined task.



<b>ARIZONA DEPARTMENT OF HEALTH SERVICES</b>		<b>LEVEL</b>	<b>SECTION</b>	<b>NUMBER</b>	<b>DATE</b>
		1	ADM	005	08/19/98
<b>SUBJECT:</b>	EMPLOYEE RECOGNITION PROGRAM				

## **DIVISION PRIMARY POSITION OF RESPONSIBILITY**

The Director's Office

### **PROCEDURE**

1. Employee recognition programs and activities will be coordinated at the Department level. These will include Years of Service Awards, HEART Program, HEARTBEAT, and Retirement Program. Other programs may be added such as "Significant Life Events which will include bereavement and employee major hospital stays.

**Responsible Position: Employee Recognition Coordinator**

2. Records of account transactions will be maintained by Council and Committee Treasurers, generating reports which will be provided to the Employee Recognition Coordinator on a monthly basis.

**Responsible Position: ERC Treasurers**

3. An ERC handbook will be maintained and contain the following sections: Policy and Procedures, List of Members, Bylaws, Program Descriptions, Operational Plan, Strategic Plan, and the Budget. The information in this handbook will be maintained by an ERC subcommittee. Copies of the handbook will be distributed to all ERC Members. As updates are made by the subcommittee, they will be distributed to the ERC Members. The following is a short description of each section in this handbook:
  1. Policy and Procedures - This section will contain the most current ERC Policy and Procedure, the Fund Raising Policy, and any others related to ERC.

**Responsible Position: Employee Recognition Coordinator, Director's Office.**

2. List of Members - This section will contain a list of Employee Recognition Council and Committee Members, their Division/Bureau/Office, and telephone numbers.

**Responsible Position: Employee Recognition Coordinator.**

3. Bylaws - The Bylaws document contains the following components: ERC Composition; Membership Term; Attendance and Resignation; Committee Membership; and Scheduled Meetings.

**Responsible Position: Employee Recognition Coordinator and Employee Recognition Council.**

4. Program Description - This section will provide a brief description of all Employee

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<b>SUBJECT:</b>	EMPLOYEE RECOGNITION PROGRAM				

Recognition Programs.

**Responsible Position: Employee Recognition Coordinator, Employee Recognition Council.**

5. Operational Plan - This section will contain responsibilities of the Coordinator, Council and Committee Members with details of the procedures and processes of the Employee Recognition Programs.

**Responsible Position: Employee Recognition Coordinator, Executive Staff Consultant.**

6. Strategic Plan - This section contains the Employee Recognition Council's Strategic Plan. The plan includes the Vision and Mission Statement, and Goals and Objectives.

**Responsible Position: Employee Recognition Coordinator and Employee Recognition Council.**

7. Budget - The current Employee Recognition Council Budget will be in this section.

**Responsible Position: Employee Recognition Coordinator and Employee Recognition Council.**

5. The following Employee Recognition Programs will be implemented:
  1. Years Of Service - Employees will receive recognition for their years of state service. Awards will be presented for each five-year milestone achieved. Quarterly reports are distributed to each Division/Bureau/Office Chair providing a list of employees reaching a milestone using the current state hire date information for ADHS employees. These awards will be presented within each Division/Bureau/Office.

**Responsible Position: Chair Division/Bureau/Office Employee Recognition Committee.**

2. HEART - This program consists of the following:
  1. HEARTBEAT (on the spot award). A HEARTBEAT may be given to any employee from any employee for excelling on a particular day or exceeding expectations on a project. HEARTBEAT forms are available Department-wide.

**Responsible Position: Employees of ADHS.**

2. The quarterly/semi-annual performance awards recognize an Employee, Leader, and/or Team in each Division/Bureau/Office. Employees can nominate individuals department-wide by completing the appropriate nomination form. The nomination forms are available Department-wide. Each Employee Recognition Council will select and recognize its winners

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within its respective Division/Bureau/Office.

**Responsible Position: Employees of ADHS, Chair Division/Bureau/Office Employee Recognition Committee and Employee Recognition Council.**

3. An Annual Event for Department employees is championed by the Employee Recognition Council. The Annual Event is to celebrate all ADHS employees.

**Responsible Position: Employee Recognition Council.**

4. Retirement Recognition - An employee retirement program that will honor Department employees who have ten or more years of service with the State of Arizona is being developed with a start date projected of January 1, 1999.

**Responsible Position: Employee Recognition Coordinator and Employee Recognition Council.**

- e. Recognition Leave - In accordance with the applicable Department of Administration Personnel Rules, the Department is authorized to award 96 hours (i.e. 12 days) of Recognition Leave as an acknowledgement of exemplary employeeservice or extraordinary contributions to accomplishing the Department's goals. According to ARS 41-762 and ARS 41-771 and Administrative Rule R2-5-103 Applicability, Part A; recognition leave as authorized requires that leave be awarded only to those employees that fall under the state personnel system.

**Responsible Position: Employee Recognition Coordinator, Executive Management Team**

<b>Approved:</b>  <p style="text-align: center;">James B. Griffith, Deputy Director</p>	<b>Date:</b>
<p>The Primary Position of Responsibility for this policy is <u>The Director's Office</u></p> <p>Users are encouraged to suggest improvements regarding this policy and procedure to the <b>PPR</b>.</p>	